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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U338E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2015 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Refund of \$0.082 Million Recorded in Two Memorandum Accounts.

Application 16-04-001  
(Filed April 1, 2016)

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

**Summary**

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),<sup>1</sup> this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on July 6, 2016.

**1. Background**

On April 1, 2016, Southern California Edison Company (SCE) filed Application (A.) 16-04-001, its *Application of Southern California Edison*

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<sup>1</sup> All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M089/K380/89380172.pdf>.

*Company (U 338-E) for a Commission Finding that its Procurement Related and Other Operations for the Record Period January 1 through December 31, 2015 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for refund of \$0.082 Million recorded in Two Memorandum Accounts (Application).*

On April 21, 2016, Resolution ALJ-176-3376 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary. On May 2, 2016, a protest was filed by the Office of Ratepayer Advocates (ORA).

On July 6, 2016, a prehearing conference (PHC) took place in San Francisco to establish the service list for the proceeding, discuss the scope of the proceeding, and develop a procedural timetable for the management of the proceeding. In the provision of its regulated services SCE must take all actions necessary to promote the safety, health, comfort, and convenience of utility patrons, employees and the public.<sup>2</sup>

## **2. Category, Need for Hearing, and Ex Parte Rules**

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization or need for hearings. This ruling affirms the preliminary categorization of ratesetting and the need for hearing. This ruling as to category is appealable pursuant to Rule 7.6.

As noted in the schedule below and in accordance with Rule 7.3(a), today's scoping memo adopts a procedural schedule that includes hearings. In a

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<sup>2</sup> Pursuant to Public Utilities Code Section 451.

ratesetting proceeding, *ex parte* rules as set forth in Rules 8.1, 8.2, 8.3, 8.5, and Public Utilities (Pub. Util.) Code Section 1701.3(c ) apply.

### **3. Discovery**

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the presiding officer, pursuant to Rule 11.3.

### **4. Scope of Issues**

Through the Application, the protest to the Application, and discussions during the PHC, parties conducted an exchange that has helped to refine the scope of the Application. This proceeding will examine whether SCE's proposed revenue requirements and rates associated with its 2015 Energy Resource Recovery Account (ERRA) and other balancing and memorandum accounts listed herein, should be recovered, and whether the proposal to return unspent funds to customers should be granted.

The parties generally agree as to the scope of the proceeding; however, ORA proposed in its protest and at the pre-hearing conference that the Commission considers whether SCE's Greenhouse Gas (GHG) Program was administered in a cost effective manner.

SCE stated in its reply and at the PHC that the cost-effectiveness of its GHG program is outside the scope of this proceeding. That the reasonableness of its GHG related transactions have already been approved by the Commission during the quarterly compliance review (QCR) filings and that any re-review of its GHG transactions would be against the framework set up by AB 57.

ORA believes that the QCR process reviews only the individual contracts entered into during the relevant quarter, rather than the GHG program as a

whole. According to ORA, due to the three year cycle upon which GHG programs are run, it needs to examine GHG transactions in 2015, 2016 and forecasted for 2017 in order to determine whether the program is administered in a way that minimizes costs for ratepayers.

Pursuant to Pub. Util. Code § 454.5(d)(2), the adoption of procurement plans “Eliminate the need for after-the-fact reasonableness reviews of an electrical corporation’s actions in compliance with an approved procurement plan, including resulting electricity procurement contracts, practices, and related expenses. However, *the commission may establish a regulatory process to verify and ensure that each contract was administered in accordance with the terms of the contract, and contract disputes that may arise are reasonably resolved.*” [Emphasis added.]

Accordingly, the Commission will not review SCE’s GHG program for cost-effectiveness in its ERRA compliance proceeding.

The issues to be examined are:

1. Whether SCE’s 2015 fuel and purchased power expenses were accurately recorded and complied with SCE’s Commission- approved procurement planning;
2. Whether during 2015, SCE prudently administered, managed, and dispatched the following, in compliance with all applicable rules, regulations, and Commission decisions, including but not limited to Standard of Conduct Four;
  - a. Utility Retained Generation resources;
  - b. Qualifying Facility Contracts (QF); and
  - c. Other non-QF contracts.
3. Whether SCE dispatched its energy resources in a least-cost manner in compliance with SCE’s Commission-approved procurement plan;

4. Whether SCE's entries and costs recorded in its regulatory accounts are correctly stated, reasonable, and in compliance with applicable Commission decisions, rules, and regulations;
5. Whether SCE administered its demand response program to minimize costs to its ratepayers;
6. Whether SCE's Greenhouse Gas Compliance Instrument procurement complied with its Conformed Bundled Procurement Plan;
7. Whether SCE's Greenhouse Gas recorded revenue and cost accounting are accurate;
8. Whether rate recovery for 2015 costs area reasonable and should be authorized; and
9. Whether there are any safety considerations raised by this Application.

## 5. Proceeding Schedule

With the above in mind, and based on SCE's Application, ORA's Protest, and discussions at the PHC, the following Schedule shall be adopted for this proceeding:

Event	Date
ORA/Intervenor Testimony	September 15, 2016
SCE Rebuttal Testimony	October 17, 2016
Hearings (if Necessary)	November 17 and 18, 2016 10:00 a.m. Commission Courtroom California Public Utilities Commission 505 Van Ness Ave. San Francisco, CA 94102
Concurrent Opening Briefs	December 15, 2016
Concurrent Reply Briefs	January 6, 2017

Event	Date
Proposed Decision	Second Quarter 2017

Consistent with Pub. Util. Code § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo. The matter will be submitted upon the filing of reply briefs unless the assigned Administrative Law Judge (ALJ) orders further evidence or argument.

#### **6. Final Oral Argument**

Pursuant to Rule 13.13, any requests for final oral arguments before the Commission must be filed and served at the same time as opening briefs.

#### **7. Presiding Officer**

Pursuant to Rule 13.2, I designate ALJ S. Pat Tsen as the Presiding Officer in this proceeding.

#### **8. Filing, Service and Service List**

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the

Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the party or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: *A. 16-04-001- SCE's 2015 Erra Compliance Application*. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Comments*. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at

(866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

**IT IS RULED:**

1. The scope and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling of the assigned Commissioner or Presiding Officer.
2. This proceeding is categorized as ratesetting. This ruling as to category is appealable pursuant to Rule 7.6
3. This proceeding requires evidentiary hearings.
4. Any party requesting a final oral argument before the Commission shall file and serve such a request on the same date that opening briefs are due.
5. *Ex parte* communications are subject to Rules 8.1, 8.2, 8.3, and 8.5 of the Commissions' Rules of Practice and Procedure, and Public Utilities Code Section 1701.3(c).
6. Pursuant to Rule 13.2, Administrative Law Judge S. Pat Tsen is the Presiding Officer.

Dated September 15, 2016, at San Francisco, California.

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/s/ MICHEL PETER FLORIO  
Michel Peter Florio  
Assigned Commissioner

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/s/ S. PAT TSEN  
S. Pat Tsen  
Administrative Law Judge